

Closing Package and FACTS I

FY 2004
Reporting

Presentation Summary

Overview of the Governmentwide Financial
Reporting System (GFRS)

FY 2004 Reporting Requirements

IG Agreed-Upon Procedures

Closing Package Audit Guidance

Questions

GFRS

New Reporting system for FY 2004
Web-based application to aid in the
preparation of the Consolidated Financial
Report of the United States Government (FR).
Role-based application design by modules
Application interfaces w/FACTS I

Why GFRS?

Provide a direct link between the individual agencies' audited financial statements and the Governmentwide consolidated statements (closing package)

To remove the FMS consolidation process finding

To leverage the audit work done at the agencies

To focus attention on agency disclosures

Who is required to submit Financial Data via GFRS

Verifying agencies

An agency whose financial statements have a material impact on the FR

All 23 CFO agencies plus 12 additional agencies are verifying agencies

Listed on page 3 of I TFM 2-4700

Non-Verifying agencies

An entity that does not require additional audit scrutiny, but is required to report data to treasury to satisfy “completeness” of the FR

GFRS User Roles

FPA – Preparer

- Create Financial Statement templates

- Enter and edit agency data

AR – Agency Reviewer

- Read only access

- Other staff users

CFO – Chief Financial Officer (Verifying entities only)

- Read only role

- Approve and lock closing package data

IG – Inspector General (Verifying entities only)

- Read only role

- Issue IG audit opinion on closing package data

GFRS Modules

Verifying Agency Closing
Package includes the
following modules:

- 1 Financial Statement Template
- 2 Audited Financial Statements
- 3 Reclassification
- 4 Trading Partner Identification
- 6 FR Notes
- 7 Other FR Data
- 8 Completions & Approvals

Non-Verifying Agency
Requirements Include:

- 5 Non-Verifying Agency TP Identification
- 6 FR Notes
- 7 Other FR Data

Closing Package

The Closing Package is a prescribed format of financial statements needed to prepare the FR.

Data submitted via GFRS

Verifying Agencies Requirements

Reclassify all line items and amounts on agency's comparative, audited, consolidated, department-level financial statements to the closing package line items for:

- Balance Sheet,

- Statement of Net Cost,

- Statement of Changes in Net Position/Income Statement, and

- Statement/Note on Custodial Activity (if applicable)

Verifying Agencies Requirements- Cont'd

Identify Intragovernmental Closing Package line items by trading partner and amount.

Complete Notes data for the reclassified Non-federal line items on the Balance Sheet

Complete additional Notes data based on the disclosure standards (i.e. dedicated collections, commitments, and contingencies)

Complete other FR data, as applicable, to meet Federal GAAP disclosure requirements

Verifying Agencies Requirements-Cont'd

Approval of the Closing Package by the CFO
Issue Opinion of the Closing Package by the
IG

Non-Verifying Requirements

Complete Notes data for the reclassified Non-federal line items on the Balance Sheet

Complete additional Notes data based on the disclosure standards (i.e. dedicated collections, commitments, and contingencies)

Complete other FR data, as applicable, to meet Federal GAAP disclosure requirements

FACTS I Requirements

Preclosing Adjusted Trial Balances ATBs are still required from all agencies (verifying and non-verifying) via FACTS I

FACTS I Notes are no longer required

Closing Package & FACTS I Timeline

- Sept. 1: FACTS I MAF opens
- Sept. 7: Agency FY 2004 financial statements templates opens
- *Sept. 15: FACTS I MAF closes
- Oct. 1: FACTS I and remaining GFRS modules open
- *Nov. 18: FACTS I ATBs, Notes, and Other FR Data submissions due for non-verifying agencies
- *Nov. 18: Closing Package submissions are due for verifying agencies
- *Nov. 18: CFO Closing Package approval due date
- *Nov. 18: IG opinion on Closing Package due date
- *Nov. 30: FACTS I ATB submission due for verifying agencies

* No Later than Date

Closing Package Action Items

Review Instructions in I TFM 2-4700

Identify Process for Reclassifying Agency FS to the Closing Package

Identify Data needed for FR Notes and Other FR Data

Develop Time Tables to meet Due Dates

CFO & IG Agree on Documentation Requirements

Websites

Agency Reporting Requirements for the Financial
Report of the U.S. Government (I TFM 2-4700):
www.fms.treas.gov/tfm/vol1/v1p2c4700.pdf

Financial Accounting Standards Advisory Board
(FASAB): www.fasab.gov

Office of Management and Budget (OMB):
www.whitehouse.gov/omb

Contact Information

Closing Package Methodology

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IG Agreed-Upon Procedures

FMS/GAO Assurance

Intragovernmental IG Agreed Upon Procedures

To assist with accounting for and eliminating intragovernmental activity and balances in agency and Governmentwide Financial Statements:

- Perform Agreed Upon Procedures Regardless of FS Audit Opinion
- Based Strictly on Closing Package Reporting of FPAs

- Covers Material Differences Identified by FMS

- Compares FPA Closing Package Reporting to Trading Partners (TP)

- Impacts Closing Package Balance Sheet, Statement of Net Cost, and Statement of Changes to Net Position

FMS/GAO Assurance

Intragovernmental IG Agreed Upon Procedures (Cont.). Process

- Trace Closing Package Federal Line-items to FPA G/L and Audited FS/Identify Differences

- Trace Closing Package Intragovernmental TP Data (Module 4) to FPA's Supporting Documentation: 4th Qtr Reconciliation and CFO Representation

- Trace Explanations and Identify Any Discrepancies

- Obtain FMS' Comparative Closing Package Explanation of Differences Report; Trace Diff by Category/Line items to FPA Supporting Documents

- Identify Amount/Explain Inconsistencies, Include Copies of Internal Control Findings, Report Auditor-Proposed Adjustments Waived by Management

Roles and Responsibilities

OMB

- Develop Policies and Procedures Relative to Intragovernmental Business Rules

- Develop Policies and Procedures Relative to Audit Requirements for Federal Financial Statements

FMS

- Maintain Intragovernmental Reporting Repository via the Intragovernmental Reporting and Analysis System (IRAS)

- Provide Quarterly Material Differences Report and Year-end Closing Package Reports

- Track/Provide Oversight on Quarterly Reporting

Roles and Responsibilities

FPA/CFO

Provide Qtrly Unaudited Intragovernmental data file by SGL, SGL Attribute, Trading Partner, Fund Group, and Amount to FMS

Provide Quarterly Status of Disposition Certification to FMS

Correct Quarterly Reporting/Accounting Errors

Complete CFO Representation

Reconcile with Trading Partners

FPA/IG or IPA

Perform Audit Procedures on Intragovt Activity/Balances During FPA Audit

Complete Agreed Upon Procedures

Websites

IG Agreed Upon Procedures – Section 4705.75

Agency Reporting Requirements for the Financial Report of
the U.S. Government (I TFM 2-4700)

<http://www.fms.treas.gov/tfm/vol1/index.html>

IG Agreed Upon Procedure Standard form :
Intragovernmental Reconciliation Resources & Initiatives
(IRRI)

<http://www.fms.treas.gov/irri/index.html>

FY 2004 Intragovernmental Reporting Requirements Key Dates (Year End)

Due Dates

Reports

11-19-04	FMS provides Closing Package Differences Report to CFO & IG
11-23-04	CFO Representation Due
11-29-04	FMS provides Comparative Closing Package Differences Report to CFO & IG
12-02-04	Intragovernmental IG Agreed Upon Procedures are Due

Closing Package Audit Guidance

Closing Package Audit Guidance

Amended OMB Bulletin 01-02 to include section on audit of the reclassified statements and notes in the closing package.

IG representatives, GAO and AICPA collaborated on guidance and report language.

Effective for FY 2004.

CFO and IG communities have seen drafts.